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Security Council

Fifty-ninth year

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Thursday, 11 November 2004, 11 a.m.

New York

President:	Mr. Danforth	(United States of America)
Members:	Algeria	Mr. Benmehidi
	Angola	Mr. Lucas
	Benin	Mr. Babadoudou
	Brazil	Mr. Sardenberg
	Chile	Mr. Muñoz
	China	Mr. Zhang Yishan
	France	Mr. Duclos
	Germany	Mr. Pleuger
	Pakistan	Mr Akram
	Philippines	Mr. Mercado
	Romania	Mr. Motoc
	Russian Federation	Mr. Denisov
	Spain	Mr. García de Viedma
	United Kingdom of Great Britain and Northern Ireland	Mr. Thomson

Agenda

The situation in Bosnia and Herzegovina

Letter dated 8 October 2004 from the Secretary-General addressed to the President of the Security Council (S/2004/807)

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04-60174 (E)

The meeting was called to order at 11.10 a.m.

Statement by the President

The President: At the outset, I should like to speak in my national capacity concerning the death of Yasser Arafat. The death of Yasser Arafat is a significant moment in Palestinian history. We express our condolences to the Palestinian people. For the Palestinian people we hope that the future will bring peace and the fulfilment of their aspirations for an independent, democratic Palestine that is at peace with its neighbours. During the period of transition that is ahead, we urge all in the region and throughout the world to join in helping make progress towards those goals and towards the ultimate goal of peace.

I now resume my functions as President of the Security Council.

Adoption of the agenda

The agenda was adopted.

The situation in Bosnia and Herzegovina

Letter dated 8 October 2004 from the Secretary-General addressed to the President of the Security Council (S/2004/807)

The President: I should like to inform the Council that I have received letters from the representatives of Bosnia and Herzegovina, Japan and the Netherlands, in which they request to be invited to participate in the discussion of the item on the Council's agenda. In conformity with the usual practice, I propose, with the consent of the Council, to invite those representatives to participate in the discussion without the right to vote, in accordance with the relevant provisions of the Charter and rule 37 of the Council's provisional rules of procedure.

There being no objection, it is so decided.

At the invitation of the President, Mr. Ivanić (Bosnia and Herzegovina) took a seat at the Council table; the representatives of the other aforementioned countries took the seats reserved for them at the side of the Council Chamber.

The President: On behalf of the Council, I extend a warm welcome to His Excellency Mr. Mladen Ivanić, Deputy Chairman of the Council of Ministers and Minister for Foreign Affairs of Bosnia and Herzegovina.

In accordance with the understanding reached in the Council's prior consultations, and in the absence of objection, I shall take it that the Security Council agrees to extend an invitation under rule 39 of its provisional rules of procedure to Lord Paddy Ashdown, High Representative for the Implementation of the Peace Agreement on Bosnia and Herzegovina.

There being no objection, it is so decided.

I invite Lord Ashdown to take a seat at the Council table.

The Security Council will now begin its consideration of the item on its agenda. The Security Council is meeting in accordance with the understanding reached in its prior consultations.

Members of the Council have before them a letter dated 8 October 2004 from the Secretary-General addressed to the President of the Security Council, transmitting the twenty-sixth report of the High Representative for the Implementation of the Peace Agreement on Bosnia and Herzegovina, document S/2004/807.

At this morning's meeting the Security Council will hear a briefing by the High Representative for the Implementation of the Peace Agreement on Bosnia and Herzegovina, Lord Paddy Ashdown.

I now give him the floor.

Lord Ashdown: I am very pleased indeed to be here again to brief the Council on developments in Bosnia and Herzegovina and, if I may say so, especially pleased to be here with my colleague Mladen Ivanić, the Foreign Minister and Deputy Chairman of the Council of Ministers of Bosnia and Herzegovina. Last year, Prime Minister Terzić attended, and it seems to me very appropriate that there should be a senior minister in the Government of Bosnia and Herzegovina present when I deliver my briefing. I am grateful for the chance to address the Council.

These days Bosnia and Herzegovina features, thank goodness, rather rarely as a stand-alone item on the Council's agenda. That is a sign, thank heavens, of how much things have changed for the better in the last nine or 10 years.

A decade ago, of course, things were very different. In preparing for this morning, I thought I would just remind myself how things looked in Bosnia and Herzegovina exactly 10 years ago, in November 1994. Then, the Council's agenda was dominated by Bosnia and Herzegovina: it was daily denouncing bombings, even the apparent use of napalm and cluster bombs in the Bihac pocket, and demanding access for humanitarian convoys. In all, during that year of 1994, the Council issued 14 statements on Bosnia and Herzegovina, as the war raged.

Bosnia and Herzegovina is a very different country now, in a very different region. Whatever our occasional frustrations — and they come as part of the job — about the pace of progress, it is worth reminding ourselves of that simple fact. To be sure, Bosnia and Herzegovina has a long way to go before it becomes a member State of the European Union — its declared ambition — or a paid-up ally in NATO — which is, again, a goal it wishes to achieve. But if one wonders sometimes whether it will ever reach those goals — and, incidentally, I am convinced that it will — then one should look, not at how far there is to go, but at how far Bosnia and Herzegovina has already come.

Bosnia and Herzegovina today, like its neighbours in the Balkan region, is very firmly focused on its twin strategic goals as a country: qualifying to begin negotiations with the European Union on a stabilization and association agreement, and gaining admission to the Partnership for Peace (PfP) programme of the North Atlantic Treaty Organization (NATO). There is, quite simply, no other game in town. That is the only secure future Bosnia and Herzegovina has and I think everyone, across all the political parties and the wide spectrum of the citizens of Bosnia and Herzegovina, recognizes and understands that.

Getting through those initial gates, embarking on stabilization and association agreement negotiations and entering PfP will move Bosnia and Herzegovina decisively forward. It will lock the country into a different framework that will pull the reform process and make possible the steady transformation of the international community's role in Bosnia and Herzegovina, including the eventual phasing out of my position and my Office. Bosnia is now moving decisively from the era of Dayton into the era of Brussels. The pull of Brussels is starting to be as, if not more, effective than the push of the Bonn Powers when it comes to driving the reform process.

Since I last spoke to the Council in March, we have notched up some further significant steps forward in Bosnia and Herzegovina, which have moved it closer to meeting the requirements set out by the EU and NATO. This year has seen steady progress in adopting reform legislation and providing for new state-level institutions, even if implementation of those laws has often lagged behind.

The process of unifying Mostar has proceeded on track and broadly on time. That most intractable of all Bosnia and Herzegovina's problems is now moving, I think, towards a successful conclusion. We have had a small international team in Mostar which has been working very closely with the authorities there to implement the new statute. The challenge now will be to ensure that the new unified administration of Mostar city, reflecting the results of the recent October municipal elections, beds down successfully as we go into the new year and starts delivering Government services in the interests of its citizens.

We have also continued, I think, to make good progress in the judicial field. The single High Judicial and Prosecutorial Council, covering the whole State, was established on 1 May and we are on course for Bosnia and Herzegovina to start processing its own war crimes cases in its own domestic war crimes chamber from January 2005 — a crucial step towards statehood.

In the economic area, we have seen the passage of a new Bosnia and Herzegovina public procurement law; crucial reforms in the energy sector that have enabled the reconnection through Bosnia and Herzegovina of the entire South-East European electricity grid; the initiation of the third phase of the Bulldozer Initiative, designed to do away with bureaucratic barriers to honest trade and business; and, perhaps most significantly of all — and I pay tribute to the tough decisions that have been taken by the Bosnia and Herzegovina authorities in this matter — the resolution of the painful and difficult issue of the mountain of post-war internal debt, which otherwise could very easily have derailed the whole economy and the State's economic future.

Meanwhile, on the municipal front, legislation providing for the direct election of mayors was adopted in time for the 2 October municipal elections. Those elections were conducted by the Bosnia and Herzegovina authorities, funded exclusively by Bosnia and Herzegovina and held on an entirely peaceful

basis. The first Brcko district elections were held — a precondition for normalizing the district's autonomous status and paving the way, in the relatively near future, I hope, to winding up the Brcko supervisory regime.

Within the Office of the High Representative, we continue to be guided by our Mission Implementation Plan and the four core tasks it contains: establishing the rule of law, economic reform, institution building, and defence/security reform. This year we have downsized the Office, handed over those areas where we have finished our task to the Bosnia and Herzegovina authorities, and reduced our size by no less than 25 per cent. That will continue.

Within that overall umbrella of the Mission Implementation Plan, we have now identified six key priorities for implementation in the coming year. Those all relate to strengthening key institutions that are essential for the effective functioning of the State of Bosnia and Herzegovina within the Euro-Atlantic institutions.

One of those priorities is the State Court, which is already starting to deliver real results. Indictments and, now, trials of the once untouchable, the high and the mighty, are beginning, I hope, to convince the citizens of Bosnia and Herzegovina that there will be no immunity for the rich and powerful from whatever national community they come.

Another of our priorities is to strengthen the functionality of the Council of Ministers. That is much needed. We need to establish properly functioning ministries, properly staffed and properly located. Meanwhile, the entity intelligence agencies have been abolished and the State-level agency formally commenced operations on 1 June, following the merger of its predecessors — a huge and delicate task which is proceeding, I believe, relatively smoothly.

With the help of the European police mission, we are now making progress in reforming the police and creating in Bosnia and Herzegovina an effective policing structure. The State Investigation and Protection Agency — if you like, the State's Federal Bureau of Investigation — is now established in its own premises and becoming an increasingly credible body in the law enforcement community, though that has much further to go before I am fully satisfied. And, crucially, a Police Restructuring Commission, chaired by former Belgian Prime Minister Martins, was established on the initiative of Prime Minister Terzic on 2 July. It will report at the end of the year and is charged with devising a single policing structure for the country in order to enable it to fight crime effectively.

On policing, let me just touch for a moment, if I may, on an important — and perhaps, some may think, delicate — issue: the question of police certification. This was an issue which was unresolved after the closure of the International Police Task Force. Following the presidential statement issued by the Security Council in June, the Presidency of Bosnia and Herzegovina requested all competent national authorities to harmonize their laws in order to give full effect to the United Nations certification decisions. I welcome that. We now expect the Bosnia and Herzegovina authorities to adopt such amendments shortly. We will monitor the situation closely and report back to the Council. Although we are making significant progress on the issue of implementation, we still need to find a solution with respect to the problematic cases that are left over — a matter which is, I regret, still under discussion with the Department of Peacekeeping Operations and yet to be resolved. Let me explain.

It was agreed in May this year with the United Nations Under-Secretary General for Peacekeeping Operations that efforts to ensure full implementation of United Nations decisions would be delinked from those alleged problematic cases. The Human Rights Commission within the Constitutional Court of Bosnia and Herzegovina rendered a decision this summer making it clear that the implementation of the United Nations certification decisions by domestic authorities did not, as claimed, violate the rights of police officers under the European Convention on Human Rights. We welcome that judgment. We believe that the need to review all United Nations decisions on questions of law and fact can now be measured against that decision. That is good.

However, we are still facing daily allegations of procedural shortcomings. I do not know whether or not those are justified. Many examples were sent to my Office by the representative of another United Nations agency in Bosnia and Herzegovina, claiming that there have been deficiencies of procedure. The United Nations in New York has been so far unable to provide us with evidence that would contradict such allegations. We consider that the capacity of the United Nations to do so is key to the determination of whether

a review mechanism is necessary in those cases. Finally, we are of course conscious that a review of decisions rendered pursuant to a mandate from the United Nations would require the authorization of the Organization and we remain at the Council's disposal to find an adequate solution that will preserve the huge and invaluable legacy of the United Nations in Bosnia and Herzegovina through the International Police Task Force and its other agencies. This is an important issue, but it must not distract us from the implementation priorities that I described earlier. Allow me now to return briefly to those priorities.

Another one of our priorities is the establishment in good time and in good order of the Indirect Taxation Authority covering the whole State. I am glad to report that that is now up and running, and we are in the process of merging the entity customs administrations into a single State body and preparing for the introduction of a value-added tax (VAT) on 1 January 2006. That is a difficult deadline, but I still believe we will meet it.

On defence reform, we have continued to move forward in meeting the 14 benchmarks set by NATO, with the appointment of the first post-war Bosnia and Herzegovina Defence Minister and key general staff officers, as well as the significant downsizing of entity armed forces. The Bosnia and Herzegovina Defence Minister, Minister Radovanović, has served extremely competently since May as co-chair of the Defence Reform Commission. In December, NATO will take on the leadership of the Bosnia and Herzegovina Defence Reform Commission and of defence reform in general. I would like to take this opportunity to pay a warm public tribute to James Locher from the United States Department of Defense, who was seconded to us. His tenacity, patience and sure touch have been the keys to the huge progress made on defence reform, and we all owe Mr. Locher a great debt of thanks.

Taken together, all of these developments mean that Bosnia and Herzegovina is, I think, now moving decisively down that road to membership of the European Union and of NATO and to a life as a normal, peaceful European country. I think that this is a very significant achievement, only nine years after Dayton.

Bosnia and Herzegovina is changing, and it is therefore appropriate that the international community should start to adjust its presence in Bosnia and Herzegovina also, to reflect changing times and changing challenges.

We have done that continuously, of course, since Dayton. The Office of the High Representative has steadily evolved in its role, acquiring the Bonn powers two years into its mandate and using them in different ways to promote peace implementation since then. We are now reducing very substantially the use of these powers, and this should — and I believe will — continue.

The same has been true of the NATO-led international military presence. It has been reduced in size as stability has grown — from 65,000 after Dayton to only 7,000 today.

On 2 December, we will see the next logical evolution, when the Stabilization Force in Bosnia and Herzegovina (SFOR) will terminate and NATO will hand over leadership of the military mission in Bosnia and Herzegovina to the European Union (EU). That will be a difficult transition, but I am happy to report to the Council that I am confident it will go smoothly and well.

I also hope that most Bosnians will frankly not notice the difference. Eighty per cent of the troops on the ground within SFOR are already European troops, and while shoulder flashes and flags will undoubtedly change, the commitment to a safe and secure environment will not. The new force will look very much like SFOR, will operate along the same lines and provide the same level of security. It will be militarily robust and it will brook no challenges to peace and order in Bosnia and Herzegovina.

However, this also unmistakably signals Bosnia and Herzegovina's European destiny. The commitment of the European Union to Bosnia and Herzegovina's potential future membership is now clear.

This process will allow the European Union to bring together all its assets in Bosnia and Herzegovina under my coordination. These assets are the European Union-led force (EUFOR), the European Union Police Mission, the European Union Monitoring Mission and the European Commission delegation with its €65 million a year assistance programme, in addition to the work of the European Union member States. We will now be able to coordinate those so that they bear more effectively, as Bosnia and Herzegovina moves

into a qualitatively new stage in its relations with the European Union.

I say this not just in my capacity as High Representative, but also wearing my second hat as European Union Special Representative, which is a role that will grow in importance in the months and years ahead.

This is not to say — and I would like to emphasize this point — that the European Union's growing role in Bosnia and Herzegovina should be at the expense of others — far from it. I think there is a broad rule about international peace stabilization: the broader the coalition, the greater the chance of success. It is therefore essential we preserve that unity of effort and breadth of endeavour through the Peace Implementation Council, which I believe should continue operating in order to incorporate, as it does, the contributions made by the Russian Federation, Turkey, Japan, Canada and the United States of America, as well as other European Union member States. Those are extremely important contributions, and it would be wrong of us to create or to abandon the framework that allows those to continue to be made.

The fact that we are able to make this transition from SFOR to EUFOR is, allow me to say, a formidable tribute to NATO and to all it has achieved in Bosnia and Herzegovina in the last nine years. Allow me to take this opportunity to pay a warm tribute to the alliance, whose Secretary-General, of course, will address the Council today, and to all those soldiers who have served under the NATO flag as part of, first, the Implementation Force (IFOR) and then SFOR. They have done a truly outstanding job. They have not only ended a war, they have helped to build a peace, and they are handing on a situation immeasurably and unbelievably better than the one they found in 1995.

The fact that NATO will continue to play a vital — but different — role in Bosnia after EUFOR takes over, with a United States general at the helm of a new NATO headquarters, is hugely welcome. This role will concentrate on defence reform, but it will also work on counter-terrorism and a continued effort in the hunt for indicted war criminals.

The message that I therefore bring the Council is a good one, I think, but there are some points of concern. Allow me to touch on three of them as we move into the next phase of Bosnia and Herzegovina's transition to a fully-fledged State and to membership of Euro-Atlantic institutions.

The first point is economic. Bosnia and Herzegovina's economy is still not growing fast enough to relieve the pain of its suffering people, and that is an area on which we need to concentrate in the year ahead.

The second, which worries me, is the financial viability of the State in its present shape. I should emphasize that this may make it necessary to consider before too long, not now, but before too long, the pressing need to make the State's constitutional structure more functional.

The third point is the subject that gives me most immediate concern and which poses the biggest threat to the entire country, but most especially to Republika Srpska's prospects.

When I spoke to the Council in March, I made clear that there was a very real risk that, despite Bosnia and Herzegovina's remarkable progress on defence reform, Republika Srpska's complete failure to meet its obligations to the International Criminal Tribunal for the Former Yugoslavia (ICTY) could well scupper the country's chances of gaining entry into the Partnership for Peace at NATO's Istanbul summit in June.

As we know, that is, regrettably, exactly what happened. The record speaks for itself and makes dismal reading. In nine years, the Republika Srpska has not handed over a single person indicted for war crimes — not one — at any level, senior, junior or middle-ranking. In nine years, they have failed to give the ICTY the information it needs to track down indictees or to provide cooperation in the arrest of Radovan Karadzic and Ratko Mladic. In nine years, it has failed to take any significant action to do so itself, either.

I must say that there have been some more hopeful signs in recent months. A speech by President Cavic of Republika Srpska in June, acknowledging the scale of the crime committed at Srebrenica, was a brave and important speech.

The work of the Srebrenica Commission itself, created entirely by the Republika Srpska Government, has elicited from Carla Del Ponte the statement that the Srebrenica Commission has provided a significant milestone on the road to truth and justice. We also saw only two days ago a formal apology offered by the

Republika Srpska Government to the victims of that blackest of pages in European history. I hope that that will lead to a wider process of truth. I hope that that will incorporate other peoples in Bosnia and Herzegovina as well. Srebrenica is the worst of the crimes, but it is not the only one, and I hope that people will seize the opportunity offered by that statement by Republika Srpska to ensure that Bosnia's future can be built on a recognition and an understanding of its past.

Nevertheless, the plain fact remains that, nine years on, not a single indictee has been handed over to the ICTY by the Republika Srpska authorities, and that Karadzic and Mladic remain at large. That is an affront to justice, and it is an affront to the values of the institutions which the Republika Srpska leaders claim they wish to join. They should be in no doubt that, when NATO and the European Union say that if they want Bosnia and Herzegovina to join those institutions, they must cooperate with the ICTY, those are not empty words: they are deadly serious ones. They should be in no doubt that they cannot treat this solemn obligation — which they signed on to in Dayton — as if it were written in invisible ink, when it is there in black and white. And they need to be clear that the international community — and, I hope, the Security Council — will not permit them to remain, with impunity, in fundamental breach of a cardinal requirement of the Dayton Agreement.

Justice has a long memory, and Srebrenica has made an indelible impression on it. Nine years is already too long — far too long. Time is running out to take action to comply with international law. Time is running out for Republika Srpska to continue to block Bosnia and Herzegovina's path to the European Union and to NATO. Time is running out for those who think they can abuse the protections offered by Dayton.

So I hope that the message will go out unambiguously and firmly from the Council to the leaders of Republika Srpska that the time has come when this must be done, and the time for excuses for not doing it is over. Because this is now — I have no doubt — the biggest stumbling block on the path towards a brighter future, and the longer it remains unresolved, the longer it will take for Bosnia and Herzegovina finally to make that crucial break with the past and embrace a brighter future as a modern European nation. That is what the citizens across Bosnia and Herzegovina so desperately want to see, and it is what they so manifestly deserve.

I began this statement by looking back to 1994, to recall how far Bosnia and Herzegovina has come since the horrors of that war. Perhaps I could end it by inviting members to cast their minds forward 10 years and to imagine what Bosnia and Herzegovina could be like then. I believe there is now a real prospect that, if this crucial issue of cooperation with The Hague can be resolved, if Bosnia and Herzegovina can maintain its remarkable reform efforts and if the international community can maintain its interest and support, Bosnia and Herzegovina will, by then, be a country transformed in a region that has been transformed. That would be a huge prize, not just for Bosnia and Herzegovina, but for the entire international community, which the Council represents.

So my final word is: let us resolve to stick at it until that job is done. We are nearly there.

The President: I thank Lord Ashdown for his comprehensive briefing.

I now give the floor to His Excellency Mr. Mladen Ivanić, Deputy Chairman of the Council of Ministers and Minister for Foreign Affairs of Bosnia and Herzegovina.

Mr. Ivanić (Bosnia and Herzegovina): Let me begin by expressing, on behalf of the Government and the people of Bosnia and Herzegovina, my deepest condolences to the Palestinian people on the painful loss of their leader, Mr. Yasser Arafat.

It is truly a great honour for me to have the opportunity to address the Security Council for the first time in my mandate as Minister for Foreign Affairs of Bosnia and Herzegovina on the occasion of the Council's consideration of the High Representative's report on the implementation of the Peace Agreement (S/2004/807, enclosure), which was submitted to the Secretary-General.

At the outset, allow me to congratulate you, Sir, on your assumption of the presidency of the Security Council for this month and to wish you every success in your endeavours. I would also like to take this opportunity to thank Lord Ashdown for his extremely eloquent and elaborate report encompassing the activities of the Office of the High Representative for the Implementation of the Peace Agreement on Bosnia and Herzegovina for the past six months.

Despite all the difficulties that we had in the past half year, I should like to begin on an optimistic note. Bosnia and Herzegovina has made significant progress towards the full implementation of the Dayton/Paris Peace Agreement. NATO announced at its recent summit in Istanbul that the Stabilization Force (SFOR) has successfully fulfilled its mandate. Upon the termination of the SFOR mandate, a new mission for a European Union-led force (EUFOR) will be established; this marks a new stage in the process of Euro-Atlantic integration. At the same time, NATO will maintain a presence in the headquarters in Sarajevo, aimed at assisting the Bosnia and Herzegovina authorities in the field of defence reform, in the apprehension of persons indicted for war crimes and in the fight against organized crime and terrorism. The handover is a clear sign that a new phase is beginning in the history of Bosnia and Herzegovina. We have transformed ourselves into a virtually normal European State in transition — from old-style socialism to a free-market economy, from a communist pre-war regime to a Western-type democracy, from a zone of war and conflict to a stabilizing factor in the region.

But, before I make a few remarks on our reform process, I would like to bring section XIII of the report all the way to the top and emphasize its content as the most significant development in the reporting period. Last Monday, the Human Rights Chamber of the Constitutional Court of Bosnia and Herzegovina accepted the report of the Government of Republika Srpska on the events that took place in and around Srebrenica in July 1995. The special Commission on Srebrenica, established by the Government of Republika Srpska, thus completed its historical mission and laid the cornerstone for successful post-war reconciliation in my country. The report not only contains the names of 7,800 persons who lost their lives in what were certainly the most tragic of all the events in the conflict and discloses several new locations of mass graves, but also accepts the share of responsibility placed upon Republika Srpska and expresses remorse to the families of the victims. Crimes were committed on all sides, as we all know, and we expect all sides that were involved in the conflict to follow this example, since there will be no true reconciliation or restoration of trust until all missing persons are accounted for.

We are well aware of the fact that cooperation with the International Criminal Tribunal for the Former Yugoslavia (ICTY) remains one of the greatest obstacles to Bosnia and Herzegovina's association with Euro-Atlantic integration processes. If it were not for that one condition, we would have fulfilled all the conditions set forth in the Feasibility Study; we probably would have signed a stabilization and association agreement with the European Union and would be a member of the Partnership for Peace.

However, the apprehension of the Hague Tribunal indictees is a delicate matter for both the local authorities and the international community, but it is no longer a political issue. As a result of continuous requests by the international community, the authorities of Republic Srpska have recently made several attempts to arrest some of the indictees. One of those attempts, in April this year, caused the most unwanted consequences: the death of an innocent civilian and the prosecution of two police officers. There is a firm political commitment to arrest the indicted war criminals as well as an awareness on the part of the people of Bosnia and Herzegovina that full cooperation with the ICTY is a precondition for the country's being recognized as a democratic State. As a result of the reforms, the State's capacity to deal with this problem has increased significantly. A State intelligence service has been established as well as a State Investigation and Protection Agency, with a special department dealing with the war-crimes issue. We are deeply convinced that all those measures will produce concrete results.

Bosnia and Herzegovina particularly underlines the importance of close cooperation among neighbouring States in this particular matter. However, we are convinced that, without full coordination and collaboration on this issue with the international organizations that are present in Bosnia and Herzegovina — the ICTY, EUFOR, NATO, the European Union Police Mission in Bosnia and Herzegovina and the Office of the High Representative — the apprehension of indictees will be less certain.

I should now like to make a few remarks on economic reform. Ever since the current Council of Ministers came into office, it has shown its readiness and its competence to tackle the field of economic reform as its number-one priority. Therefore, the results are little short of remarkable: all the capital

laws required as a condition for a stabilization and association agreement are in place, and even a law that was not a condition but was deemed absolutely necessary by the Government — the law on value-added tax — is being considered in a parliamentary procedure even as I speak. Needless to say, those results have been achieved in close cooperation with the Office of the High Representative, the World Bank, the International Monetary Fund and other international experts. The law on internal debt, not without difficulties, was adopted by the Parliament in a version that meets the recommendations of the IMF.

Reforms in other fields have been equally successful. The State Ministry of Defence is operational. The State Investigation and Protection Agency has already assumed its role in tackling State-level crime. The State Court is delivering its first verdicts against organized crime and corruption, thus making a great contribution to restoring the general population's trust in the legal system and the rule of law. A reformed customs service, together with the State Border Service, successfully fights smuggling, while at the same time increasing revenues.

As far as regional cooperation is concerned, Bosnia and Herzegovina continues to play an active role in regional organizations such as the South-East European Cooperation Process, the Stability Pact for South-Eastern Europe and the Central European Initiative, as well as on the bilateral level. Emphasis is placed on stronger and more open cooperation among the countries of South-East Europe, with the aim of changing the image of the region and attracting foreign investment. The economic progress and the prosperity of the region depend upon stability — which we were not blessed with in the past, but which we are now continuing to improve.

That can be done only in the best spirit of good-neighbourly and good regional relations, and we will continue our efforts to that end. We are determined to keep improving our relations with our immediate neighbours, Serbia and Montenegro and the Republic of Croatia, as well as with all other countries of the region. Bosnia and Herzegovina remains determined to continuously fulfil all its obligations and to meet the criteria to be a part of Partnership for Peace programme. Together with the other countries of the region, we have set out a very active approach through the Adriatic Charter. Through that forum we have received the support of the countries of the region in order to achieve the final goal of full membership in the North Atlantic Treaty Organization.

Even though we all agree that a huge job has been accomplished in Bosnia and Herzegovina to date, we must not slow down and admire our achievements. In order to complete our mission and achieve our common goal of full political stability and economic sustainability, we have to put in much more hard work and make many more joint efforts at the local and international levels. A detailed analysis of current conditions in Bosnia and Herzegovina, as well as an overview of tasks that are still ahead of us, is contained in the High Representative's report. While fully sharing the opinion that urgent measures are required in key development sectors, I wish also to assure the Council that the authorities of Bosnia and Herzegovina will make whatever efforts are necessary to that end. At the same time, I am convinced that we shall continue to receive the Council's invaluable support, as we have in the past.

I would like to conclude by making one final remark. All the aforementioned reforms would not have been possible without the firm readiness of the institutions and the politicians of Bosnia and Herzegovina to take responsibility and to make necessary compromises. Not a single law has been imposed by the Office of the High Representative in the last year. Although some laws were highly sensitive politically, all were adopted through regular parliamentary procedures. Furthermore, a month ago, local elections took place in Bosnia and Herzegovina, for the first time independently organized and financed. International observers declared the elections to be fair and properly conducted. However, the fact remains that we continue to have a rather poor turnout for both local and general elections. Part of the reason might be that voters still fail to recognize that local politicians are the true bearers of authority, despite the fact that a great number of the reforms have been agreed among us.

The institution of the High Representative has played very important role in Bosnia and Herzegovina, but I am convinced that the time has come to consider the review of its mandate. Ten years after the Dayton Peace Agreement was signed, the institution of the High Representative, with the so-called Bonn powers — the authorization to impose laws and dismiss politicians — should be transformed. I believe that the best time for that is the end of next year. In that

regard, I would like to assure the Council that the authorities of Bosnia and Herzegovina are more than ready to assume full power and responsibility for the future of the country.

Mr. Pleuger (Germany): Allow me first to say a few words with regard to the death of President Arafat. With the passing away of President Yasser Arafat, the Palestinian people have lost their historic leader. We offer our condolences to the bereaved family and to the Palestinian people. The life of Yasser Arafat testifies to the troubled and tragic history of the Palestinian people and of the Middle East in general. His life and his endeavours reflected the hopes for peace of many people but reflected also progress and setbacks on the road to peace. In this hour, we wish that the Palestinian people may have the strength and the resolve to continue their efforts towards a sovereign, independent and democratic State, living in peace, within recognized borders, side by side with Israel. We hope that the Palestinian people will soon have a new elected leadership committed to continuing the search for peace and justice.

Germany wishes to affiliate itself with the statement to be delivered later by the Dutch Permanent Representative on behalf of the European Union.

We would like to express our appreciation for both the report (S/2004/807, enclosure) and today's briefing by the High Representative, which come at a crucial time in the reform process. We all owe our gratitude to Lord Ashdown for his tireless efforts. Without his personal dedication and determination, we would not be standing today at the crossroads leading from the era of Dayton to the era of Brussels. We would also like to thank the Foreign Minister of Bosnia and Herzegovina for his statement.

Despite the shortcomings outlined in both statements, we can reflect on important progress today. In line with the principle of local ownership and with our approach of true partnership, core tasks have been achieved, in particular in the fields of economic and defence reform, the rule of law and the strengthening of institutions at the State level. Nine years after the signing of the Dayton Agreement, we want to further enlarge that ownership in order to encourage the people of Bosnia and Herzegovina to promote and implement their own political, judicial, economic and social ideas within their own State institutions. The cooperation of Prime Minister Terzić's Government and the other political forces in Bosnia and Herzegovina with the High Representative, as well as with European Union (EU) and North Atlantic Treaty Organization (NATO) structures has been and will be essential for the reform process.

As a member of the European Union, as well as bilaterally, Germany will continue to support that process in all its aspects, including the integration of Bosnia and Herzegovina into the Euro-Atlantic structures, as promised in the Stability Pact. The security of all citizens is the precondition for those reforms. Therefore, Germany will remain dedicated to the military support necessary for a secure environment. With more than 1,100 soldiers, Germany will be the largest troop contributor to Operation Althea.

The transition to the European Union-led force (EUFOR) — under a new Security Council mandate we hope to adopt very soon — is proof of the strategic partnership of the European Union with the region and demonstrates the growing institutional cooperation among the United Nations, NATO and the European Union in peacekeeping. We therefore welcome the chance to discuss that cooperation later today with the Secretary General of NATO. After 2 December, NATO will remain an important political partner in Bosnia and Herzegovina and be present as an advisor, with new headquarters in Sarajevo.

Lord Ashdown, who is serving as the High Representative and as the Special Representative of the EU, has been clear on the demands to be met on this road to European integration: the benchmarks set out by the European Commission in order to finalize its feasibility study and by NATO as conditions for entering its Partnership for Peace programme remain the principal framework for the efforts and the eventual success of the Bosnian Government. In that regard, let me mention the call for cooperation with the war crimes Tribunal. We fully subscribe to Lord Ashdown's joint appeal, with the Chief Prosecutor of the International Tribunal for the Former Yugoslavia, Ms. Del Ponte, last month at The Hague. There can be no compromise on the commitment to the rule of law. The War Crimes Chamber must become operational soon, and must get the full support of the Republika Srpska. As a step to reconciliation, we welcome yesterday's declaration on Srebrenica, which was also mentioned by the Foreign Minister. But we believe

that, in order to reach a sustainable peace, all persons indicted must face a judge.

Mr. Thomson (United Kingdom): I, too, would like to begin with some brief remarks about the passing of President Yasser Arafat. We know that the Palestinian people are today feeling a tremendous loss. Yasser Arafat was a significant figure in the Middle East who played an important role. He led the Palestinians to acceptance of a two-State solution. Negotiations are the way to achieve that. We are determined to continue our efforts to reach that goal, and we hope and expect that all concerned in the region and in the international community will remain similarly determined.

Turning to our discussion on Bosnia and Herzegovina, I should like first to associate myself with the statement to be made later by the Netherlands on behalf of the European Union. I would like to thank both Lord Ashdown and the Foreign Minister of Bosnia and Herzegovina for their very helpful, focused briefings to the Council this morning. What they had to say to us is a sharp reminder of just how very extensive, detailed, delicate and painstaking the work is to build a post-conflict State. I want particularly to thank Lord Ashdown's team, and Lord Ashdown personally, for his role in the significant achievements of the past two years. Much of the progress that we have seen and that we have had catalogued for us this morning would not have been possible without the drive, determination and dedication of Lord Ashdown and his team.

Given the comprehensive nature of the two briefings and the European Union's statement to be made later, I would like to limit my remarks to just four brief points. The first concerns the issue of the International Tribunal for the Former Yugoslavia (ICTY). The extent of the progress made in the past two years — progress to which I referred earlier — is reflected in the fact that two key milestones of Euro-Atlantic integration — membership of NATO's Partnership for Peace and negotiations on a stabilization and association agreement with the European Union — are within Bosnia's grasp. But as Lord Ashdown has made eloquently clear, Bosnia and Herzegovina's failure and, much more specifically, the Republika Srpska's failure, to grasp the nettle of ICTY cooperation represents a fundamental barrier to the realization of Bosnia and Herzegovina's Euro-Atlantic aspirations. More immediately, it represents a fundamental barrier to membership of the Partnership for Peace and to the opening of negotiations on a stabilization and association agreement.

The statistic that Lord Ashdown gave us, that not one single fugitive indictee has been arrested in the course of nine years in the Republika Srpska, is a very sobering one. Until the ICTY issue is resolved, the path to the European Union and to NATO — where we firmly believe Bosnia and Herzegovina's future lies — will remain blocked.

The Security Council has made clear on a number of occasions the obligation on all Member States, in particular those in the region, to do all they can to bring fugitive ICTY indictees — in particular Karadzic, Mladic and Gotovina — to trial in The Hague.

I would like to say to the Foreign Minister that it is important that Bosnia and Herzegovina, as well as Serbia and Montenegro and Croatia, be in no doubt about the importance that the Security Council attaches to this issue.

Turning to my next point, the developing relationship between NATO and the European Union-led force (EUFOR), we believe that we are on track for a smooth transition from the Stabilization Force (SFOR) to an EU military mission, which will be led for the first year by my country, the United Kingdom. The remaining NATO presence will also continue to play an important role. The rate of progress to date reflects, among other things, the excellent relationship between the EUFOR Commander, Major General Leakey, and the current SFOR Commander and future senior NATO military representative, General Schook, and we are certain that that close cooperation will continue to the benefit of the effectiveness of both organizations on the ground.

The fact that NATO has made clear its continued commitment to Bosnia and Herzegovina is very important. The presence of NATO troops has been key to all that has been achieved since 1995, and NATO will continue to play a vital, although different, role after EUFOR takes over the main peace stabilization role. We should all welcome that.

I would like next to say a brief word on police decertification. I had not intended to speak about this matter today, but Lord Ashdown has spoken with feeling about it. It sounds as though the United Nations

needs to get more of a grip on this issue. Lord Ashdown spoke of the eventual phasing out of the Office of the High Representative. We agree that he is right to highlight the fact that the use of the Bonn powers has evolved and should continue to evolve. In conclusion, I would like to underline our feeling that important changes in the role of the High Representative and his Office should reflect progress on the ground, rather than any preconceived idea of what should come next. The Peace Implementation Council Steering Board will, I know, be considering those issues in due course.

Mr. Sardenberg (Brazil): I would like to begin by stating that the Government and the people of Brazil received with deep emotion and great sadness the announcement of the passing away of President Yasser Arafat, a historic leader in the struggle of the Palestinian people for self-determination and independence.

I would like to thank Lord Ashdown for his comprehensive briefing and update on recent developments in Bosnia and Herzegovina. The delegation of Brazil acknowledges the quality and intensity of his work in leading the implementation of the peace agreement. We also note with satisfaction the presence at this meeting of His Excellency Mr. Mladen Ivanić, Minister for Foreign Affairs of Bosnia and Herzegovina. The Office of the High Representative has provided important assistance to Bosnia and Herzegovina's effort to build and develop the State structures for functional governance. The rule of law, economic reform, institutional strengthening and defence reform have all been significantly advanced in the period covered by the latest report. The drafting of new legislation has been a decisive element of that advance.

Brazil encourages the country's authorities to redouble their efforts to eliminate bottlenecks that still hinder the drafting, adoption and implementation of much-needed reform legislation. The implementation of a number of laws establishing a true State-level defence system, an operative and cohesive police force and indirect taxation structures is crucial to set the country on the path to the next stage of the peace process. We note with satisfaction that the Bosnia and Herzegovina tripartite Presidency has confirmed its support for tax law reform and for the wider reform process aimed at preparing the country for meeting the European Union (EU) benchmarks.

Nevertheless, progress in some areas remains slow and difficult. In that connection, I would mention the problem of refugees. Only a small number of the persons displaced by the 1992-1995 war have returned permanently to their homes. Republika Srpska should stop obstructing the necessary harmonization of legislation on refugees and displaced persons and other needed measures. In spite of the laudable efforts that have furthered the goal of unifying the city of Mostar, Croats and Muslims living there still remain segregated in practice.

Against that backdrop, though, the recent initiative of the Republika Srpska authorities, apologizing for the first time for the massacre of Muslims in Srebrenica nine years ago, may be an important step towards more engaged cooperation on the part of the Serb authorities in efforts towards healing the deep wounds left by war and bringing to justice the perpetrators of those hideous crimes.

The handing over of the mission in Bosnia and Herzegovina from the Stabilization Force to an EU-led force (EUFOR) is backed by significant improvement in the security situation on the ground and may yield positive dividends. EUFOR must continue to fulfil important tasks, such as arresting war criminals, monitoring and securing weapons and helping with armed forces reform. We note that NATO will remain engaged in tasks relating to defence system reform, among other matters, and will maintain its presence at Sarajevo headquarters.

With the committed assistance and supervision of the international community, Bosnia and Herzegovina must remain firmly on the path towards the implementation of structural reforms. The success of the Council's endeavours in that country is an important element in the delicate political equation of the Balkans. It will not only help further the fight against instability and crime; it will also advance the broader effort to promote the flourishing of multi-ethnic, tolerant and democratic societies in the whole region.

Mr. Denisov (Russian Federation) (*spoke in Russian*): Allow me also to say a few words in connection with the passing of Yasser Arafat. A major international political activist has passed away. He dedicated his entire life to the just cause of the Palestinian people, to fighting for its inalienable right to the establishment of an independent State which

would exist in peace with Israel within secure and internationally recognized borders. The President of the Russian Federation has sent the appropriate message to the leaders of the Palestinian National Authority, in which he described Mr. Arafat's passing as a heavy loss to all Palestinians. Our country will be represented at Mr. Arafat's funeral by Mr. Boris Gryzlov, Speaker of the Parliament of the Russian Federation.

Turning to the item on our agenda, allow me to express gratitude to the High Representative for the Implementation of the Peace Agreement on Bosnia and Herzegovina, Lord Ashdown, for having introduced the report, which contains a full picture of the Bosnian settlement process, and also for his substantive briefing on the present stage of the implementation of the Peace Agreement. We are also pleased to welcome here the Minister for Foreign Affairs of Bosnia and Herzegovina, Mr. Mladen Ivanić; we thank him for his statement of the position of the Bosnian Government.

We note with satisfaction the positive dynamic of the processes taking place in Bosnia and Herzegovina and the key role being played by the High Representative in ensuring, in cooperation with the Bosnian authorities, the success of the reforms being carried out there. The Russian Federation is ready to continue to support the efforts being made by the High Representative and his Office to form a viable State system in Bosnia and Herzegovina, above all in strengthening the supremacy of the rule of law.

Despite visible changes in Bosnia and Herzegovina, the stabilization process in that country is still moving at an uneven pace. There continues to be mutual distrust among the peoples of the country who are forming a State; substantive divergences remain regarding strategic objectives and the future of Bosnia and Herzegovina.

Of course, we cannot fail to note the complex economic and social situation and the high level of unemployment, although in that respect some positive steps have been taken, as described today by the Minister for Foreign Affairs of Bosnia and Herzegovina.

We believe that international backing is still necessary at this stage for the development of Bosnia and Herzegovina. That by no means invalidates the basic policy of a phased transfer to the Bosnian authorities of responsibility for the situation in the country. We continue insistently to favour a gradual reduction in the staffs and the competencies of international agencies in Bosnia and Herzegovina; here, we are paying particular attention to the High Representative's mission implementation plan.

We believe that the affirmed dedication of the western Balkan countries to the European perspective can unquestionably be used effectively as an additional stabilizing factor in the region. Nevertheless, we believe that the process of a settlement in Bosnia cannot be totally adjusted to the agenda of the European Union. The most important thing at this stage remains the implementation of the Dayton Peace Agreements. Dayton should not be reduced to the 16 conditions identified by the European Commission and to the requirements of the Partnership for Peace programme. Nor should the responsibility for the problems that continue to exist in Bosnia and Herzegovina be attributed solely to the Serbs.

Cooperation with the International Criminal Tribunal for the Former Yugoslavia unquestionably is an important element of the Dayton Agreements. The Russian Federation also favours the strictest compliance with relevant Security Council resolutions. Here, I should note that we recently paid in full our financial obligations to the Tribunal.

However, we do not consider that the stability of Bosnia and Herzegovina and the peace process as a whole should be held hostage to that specific aspect of the Dayton Agreement. It is only one aspect of Dayton. Recently, there has been increasingly harsh criticism of Republika Srpska because of the lack of progress in this area. We believe that international agencies and systems must carry out a balanced and objective policy towards all three of the peoples now forming the State and towards both of the Bosnian entities, in particular since the authorities in Banja Luka have, on the whole, been taking a constructive position on many issues related to the implementation of the Peace Agreement and to the implementation of the reforms.

An extremely important objective of the process leading to a peace settlement in Bosnia and Herzegovina continues to be that of ensuring the equality of citizens throughout the territory of the country. We attach great importance to full implementation of the 1999 amendments to the constitutions of the entities, regarding so-called constituent peoples. This work must be concluded

while Bosnia and Herzegovina remains in the Dayton era. We note that, as far as this issue is concerned, Republika Srpska is ahead of the federation, which still has a great deal to do to meet its obligations. We welcome the progress made in the implementation of the military reform in Bosnia Herzegovina — including, among other things, the formation of a single command structure and the establishment of civilian control.

We are counting on the fact that the process of reforming the police, which has begun, will be conducted as military reform is being conducted, in a highly balanced fashion, which will involve consensus on all of the planned transformations, and without pressing for excessive centralization in that area.

Along with that, the Office of the High Representative should continue to closely follow social problems, such as the return of property that belongs to the State and providing for pensions, among others. A just decision on their part will determine, to a great extent, both the speed and the extent of achieving political stability in the country.

The transfer of the military component of the peace agreement to the responsibility of the European Union is an extremely important and major stage of the stabilization process in Bosnia and Herzegovina. In our view, the most important thing is to ensure a smooth transfer, with the drawdown of the Stabilization Force (SFOR), and to carry out the transfer of the various competencies within the framework of international law, including appropriate monitoring by the United Nations Security Council.

For its part, Russia intends to continue to play an active and constructive role in the process of implementing the principles agreed on by the international community for a Bosnian settlement, within the framework of the mechanism established to achieve that objective — in particular, within the framework of the Peace Implementation Council and its Steering Board, the contact group, and in close contact with the High Representative.

Mr. Muñoz (Chile): Chile would like to join the condolences expressed here to the Palestinian people and the family on the occasion of the sad death of President Yasser Arafat. In Chile, about half a million citizens are of Palestinian origin, and for them, this is a particularly sad day and a tremendous loss. President Arafat will be remembered as the man who transformed the cause for Palestinian rights, uniting diverse groups into a concrete and internationally recognized process, leading up to an independent, sovereign Palestinian State, hopefully living side by side in peace with Israel. We feel that the best homage to his passing away would be to reactivate, unequivocally, the road map for peace.

(*spoke in Spanish*)

I am grateful for the complete introduction to the report of the Secretary-General on Bosnia and Herzegovina (S/2004/807) provided by Lord Paddy Ashdown, the High Representative for the implementation of the Dayton Peace Agreement pursuant to Security Council resolution 1031 (1995). We also welcome the Minister for Foreign Affairs of Bosnia and Herzegovina, Mr. Mladen Ivanić.

Today, Bosnia and Herzegovina is very different from what it was in the 1990s, when we witnessed one of the most brutal chapters in history there. In addition to the priorities that the High Representative has put forward with regard to moving towards the rule of law and the adoption of economic reforms, we believe his decision to focus efforts on improving the functioning and effectiveness of government institutions in Bosnia and Herzegovina is wise.

From the report we see that this period has been characterized by achievements that deserve our appreciation. There has been significant progress in legislative reform, and the beginning of important structural changes with regard to the prevention of crime, the justice system, the customs and tax systems, the creation of a single economic space, and the energy sector.

We think reform should continue in the defence sector and in increasing the capacity of Bosnia and Herzegovina to develop intelligence activities in the field of criminal justice, so that it can fight against organized crime and corruption.

There have been advances made towards normalization, through the transfer from the NATO Stabilization Force to the European Union-led force (EUFOR), a change that was supported by the Security Council.

In spite of all of the progress, there is an ethical imperative to continue to seek clarification with regard to serious human rights violations. We say this as a country that has had to confront the tremendous burden

of past violations of human rights. It is unacceptable that the authorities of the Republika Srpska have not been able to bring a single person accused of war crimes before the International Criminal Tribunal for the Former Yugoslavia (ICTY). It is urgent to continue to work against those who obstruct the work of the ICTY and the implementation of its mandate and against those who give material support to persons who are accused of war crimes. For that reason we support the special measures adopted by the High Representative to identify and punish persons and organizations that are supporting war criminals.

We are shocked to read in the report of the atrocities perpetrated in Srebrenica between 10 and 19 July 1995. The killing of some 8,000 Bosnians, according to the report, can not fail to shock our conscience. We express our solidarity with the families of the victims.

Although it is true that, for the first time, the Republika Srpska has acknowledged the origins, scope and nature of the atrocities — which is a positive step — no effort should be spared until those who committed the crimes, and their accomplices, are brought before the International Criminal Tribunal for the Former Yugoslavia.

Lastly, the recognized progress in these nine years of the implementation of the Dayton Peace Agreement bring us some distance from the atrocities that we saw in Srebrenica, as well as in Žepa, Banja Luka and Sanski Most, to name a few. Chile will continue to offer its cooperation. In the past we did this in the form of police officers for the United Nations Mission in Bosnia and Herzegovina (UNMIBH), and, more recently, officers and troops of the Chilean Army, so that Bosnia and Herzegovina can regain its traditions of progress and peaceful coexistence.

Mr. Zhang Yishan (China) (*spoke in Chinese*): Before making my statement, I wish to express my condolences for the passing away of President Arafat. The Chinese Government and its people are deeply saddened by the passing away of President Arafat. The President of China has already sent a message to the people of Palestine and to the Palestinian leaders and the bereaved families to express its condolences. China will also send a special envoy to attend the funeral of President Arafat.

President Arafat was an outstanding leader of the Palestinian people. He was also an outstanding statesman. He devoted his entire life to the just cause of the Palestinian people. He was not only held in high esteem and loved by the Palestinian people, but also had great prestige, in the eyes of the international community.

The passing away of President Arafat is a tremendous loss for the Palestinian people. I am confident the Palestinian people will turn their grief into strength and will carry on the wish of President Arafat, in order to advance the cause he left unfinished. We are confident that there will eventually be a solution to the Middle East issue. We hope that all countries and people, including the Palestinian people, can live in peace, stability, cooperation and prosperity, as soon as possible. The Chinese Government and people will work together with the international community and play their part in finding a peaceful solution to the question of the Middle East.

I wish also to thank Lord Ashdown for his report and for his additional briefing. We support the work he is doing to promote the peace process in Bosnia and Herzegovina. I wish also to welcome the Minister for Foreign Affairs of Bosnia and Herzegovina, Mr. Ivanić, for his presence at this meeting and for his statement. We appreciate the active efforts made by the authorities of Bosnia and Herzegovina during the first half of this year in strengthening State institutions, speeding up institutional reforms, promoting national reconciliation and consolidating the rule of law.

We hope that, on the basis of this work, the authorities of Bosnia and Herzegovina will continue to take effective measures to strengthen the rule of law, revitalize the economy and gradually enhance the administrative capabilities of the Government.

We welcome the fact that there will soon be a European Union-led force (EUFOR). We hope that there will be a smooth transition from the Stabilization Force (SFOR) to EUFOR and that the latter will play a constructive role in helping Bosnia and Herzegovina to maintain stability.

Over the past 10 years, since the signing of the Dayton Agreement, through the joint efforts of the various parties in Bosnia and Herzegovina and with the help of the international community, Bosnia and Herzegovina has made encouraging progress in all areas of national reconstruction. We are confident that the various parties in Bosnia and Herzegovina will continue to strengthen their mutual confidence and

their unity, so that the people of Bosnia and Herzegovina can move gradually towards harmonious coexistence and joint development and eventually achieve the goal of their unification and their integration into Europe.

Peace and stability in Bosnia and Herzegovina is vital to achieving lasting peace and development in the region. China has been closely following developments in the country and will continue to work with the international community and to play its part to help Bosnia and Herzegovina achieve lasting peace and stability as well as economic development.

Mr. Akram (Pakistan): The people and the Government of Pakistan today mourn the sad demise of President Yasser Arafat, the noble leader of a noble struggle — an epic struggle, against impossible odds, for self-determination and national liberation. Pakistan has declared three days of national mourning to mark the passing of this man, who, more than any other, symbolized the just aspirations and the unjust suffering of the Palestinian people.

Pakistan is confident that, inspired by the legacy of Yasser Arafat, the Palestinian people will realize their aspirations sooner rather than later, ending foreign military occupation and creating a free, sovereign and viable Palestinian State in Palestine.

Mr. President, I would also like to take this opportunity to express our appreciation for the effective manner in which you are guiding the Security Council during this important month and the equally skilful way in which your predecessor, Ambassador Emyr Jones Parry, discharged his responsibilities during the British presidency.

I would like to welcome the presence of Mr. Mladan Ivanovic, the Foreign Minister of Bosnia and Herzegovina, and I take this opportunity to once again express our fraternal sentiments towards his country and his people.

I wish also to welcome Lord Paddy Ashdown, the High Representative for Bosnia and Herzegovina, once again to the Council and to thank him for his very informative briefing.

Pakistan appreciates the considerable progress that has been made by Bosnia and Herzegovina towards the objective of becoming, as Lord Ashdown has stated, a peaceful, viable State on course to European integration. This is in large measure due to the resilient and resourceful people of Bosnia and Herzegovina as well as to the sustained commitment of the international community. We also appreciate the efforts of the Stabilization Force (SFOR), under NATO command, in providing security assistance in Bosnia and Herzegovina, following the role played by the United Nations Protection Force, in which Pakistan was proud to have played a part. We hope that the European-led peacekeeping force (EUFOR), which will take over from SFOR, will complete the stabilization process in Bosnia and Herzegovina.

Pakistan appreciates the achievements made by the Office of the High Representative in promoting the rule of law, strengthening the institutions of justice, carrying out reforms in the security and intelligence sectors, and instituting fiscal and economic reforms.

We also take note of Lord Ashdown's intention to continue his efforts to assist in improving the operation and effectiveness of Bosnia and Herzegovina's governing institutions in promoting human rights and national reconciliation.

We are especially heartened to note that the historic bridge in Mostar, destroyed during the war, has now been rebuilt. Moves are also being made to rebuild political and social bridges in that divided city, which once epitomized the tragedy that had befallen Bosnia and Herzegovina.

Similarly, we are pleased to note that progress has been made by the Srebrenica Commission to address the issues of truth and justice for the 8,000 innocent Bosnian Muslims who were massacred in that town by extremist forces.

In spite of those achievements, several hurdles stand in the way of national integration: parallel structures and the intransigence of a number of what Lord Ashdown has described as "obscurantist elements" in the Republika Srpska, including those who continue to harbour and support known war criminals such as Radovan Karadzic and Ratko Mladic.

The issues of justice and national reconciliation remain fundamental to Bosnia's future as a peaceful, stable and unified nation-State. Economic development is essential for sustainable peace. We appreciate the fiscal reforms being carried out by the Office of the High Representative aimed at creating a single economic space in Bosnia and Herzegovina, but these

reforms need to be supported by sustained foreign assistance and investment.

In Bosnia, as in the European Union itself, political integration is predicated on economic growth and cooperation. We hope that the pull of Europe, which Bosnia is continuing to experience, will become stronger, and it will if it is accompanied by generous economic and reconstruction support from Europe.

Pakistan, which has ties of fraternity with Bosnia and Herzegovina, will continue to extend its cooperation, within its means, as agreed during the visit of President Sulejman Tihić of Bosnia and Herzegovina to Pakistan in August this year.

We are deeply committed to the goals of peace, harmony and prosperity in Bosnia and Herzegovina and to its emergence as a modern State and a success story for the United Nations and for the international community.

Mr. Mercado (Philippines): We join other delegations in expressing our sincerest sympathies to the people of Palestine on the death of their leader, President Yasser Arafat. We hope that his death will unite the people of Palestine and his successor in the search for a durable and lasting peace in the Middle East that will lead to an independent and sovereign Palestine existing side by side in peace with Israel.

We thank Lord Ashdown for his report (S/2004/807, enclosure). His briefing this morning accorded us a better appreciation of how far the international community and the Government and the people of Bosnia and Herzegovina have gone in their journey towards statehood and European integration.

We also welcome the presence this morning of His Excellency the Foreign Minister of Bosnia and Herzegovina, Mr. Mladen Ivanić.

Last March we listened to a briefing by the High Representative on the situation in Bosnia and Herzegovina, almost a decade after the international community stepped in to put an end to the senseless bloodshed that had torn that country and the Balkans apart. The Philippines is encouraged to hear that much has been accomplished since then, particularly in the consolidation of the rule of law, as well as in the successful implementation of defence, legislative and economic reforms. My delegation is pleased to know that those accomplishments have brought Bosnia and Herzegovina within the reach of NATO's Partnership for Peace programme and of negotiations on the conclusion of a stabilization and association agreement with the European Union.

Eight months ago the Philippines expressed its grave concern over the fact that a number of those who were behind the slaughter of men, women and children during the crisis in Bosnia and Herzegovina more than a decade ago continued to evade justice. Five months ago, my delegation again raised that concern and expressed its hope that Serb authorities in Republika Srpska would help to correct that grave injustice by finally cooperating with the international community — that, after several authorities acknowledged for the first time that their forces were responsible for the massacre of 7,800 Bosnian men and boys in Srebrenica in 1995.

This week, the final report of the massacre in Srebrenica was presented to the Bosnian Serb government. The report, we understand, contains a list of those involved in what has been described as the worst atrocity carried out against civilians in Europe since the end of the Second World War. Today, the Philippines once again reiterates its concerns and expresses its hope that the Bosnian Serb authorities will make the right decision and take the proper action so that the country can emerge from this tragic and bloody chapter in its history. In particular, we would like to reiterate our desire to see indicted war criminals, especially Radovan Karadzic and Radko Mladic and others involved in those crimes, stand before the International Tribunal for the Former Yugoslavia and face trial for war crimes and crimes against humanity. We also expect the relevant authorities in Bosnia and Herzegovina, starting in January 2005, to investigate and prosecute other war crimes. Moreover, we expect similar action to be undertaken against those identified in the final report on the massacre in Srebrenica.

We note with concern in the report of the High Representative that most major crimes committed in Bosnia and Herzegovina have an international dimension and that the current police system is ill-equipped to address the increasingly sophisticated challenges posed by organized crime, terrorists, drug trafficking and money-laundering. We welcome, therefore, efforts by the authorities of Bosnia and Herzegovina to give priority to those sensitive and important sectors. We also look forward to the end-of-

the-year report of the Police Restructuring Commis..on.

Bosnia and Herzegovina has come a long way from where it was almost a decade ago. Slowly but surely it is evolving into a peaceful and viable State, on course for its goal of integration with the rest of Europe. My delegation is optimistic that the relevant authorities in Bosnia and Herzegovina will realize soon enough that that the best and only way forward for them is to extend their full trust, support and cooperation to the international community. There is no other way.

Mr. Duclos (France) (*spoke in French*): This morning the President of the French Republic paid tribute to President Arafat. He extended his condolences, on behalf of the French people and Government, to the family and associates of Yasser Arafat, and I reiterate them here. We send a message of friendship and solidarity to the Palestinian people and to its leaders. France will continue tirelessly to work for peace and security in the Middle East, with respect for the rights of Palestinians and with respect for the rights of Israelis.

I would like to thank Lord Ashdown for his statement, which served to supplement his excellent report (S/2004/807, enclosure). I would also like to warmly thank the Minister for Foreign Affairs of Bosnia and Herzegovina for his statement.

My delegation associates itself with the statement that will be made later by the representative of the Netherlands on behalf of the European Union. I shall therefore limit myself to three comments.

First, I would like to reaffirm France's support for the actions undertaken by Lord Ashdown in Bosnia and Herzegovina. We share the priority goals of his mission. Moreover, we fully share his ultimate goal, which some speakers have already mentioned: to make Bosnia and Herzegovina a peaceful and viable State embarked on the path of European integration. Lord Ashdown's determination has made it possible to achieve fresh, considerable progress in all areas. We are most gratified by that progress and we thank him for it.

Secondly, I would like to recall that we attach great importance to cooperation by all the authorities of the country with the International Tribunal for the Former Yugoslavia. In that regard, we would note that concrete results are needed. We support the measures taken by the High Representative to overcome obstacles in the framework of the Dayton Agreement.

Thirdly, this afternoon we will have the opportunity to hear a statement by the Secretary General of NATO. The Atlantic alliance has played a critical role, under the eye of the Security Council, in stabilizing Bosnia and Herzegovina and in implementing the military component of the Dayton Agreement. We should pay a tribute to that outstanding success, to which France has contributed.

As members are aware, the Stabilization Force will soon be replaced by an operation of the European Union (EU), Operation Althea. The mission will include 7,000 troops, and it will be the largest external operation ever carried out by the European Union. We shall soon be asking the Council to authorize the deployment of Operation Althea. The operation forms an integral part of the European Union strategy for the Balkans. The increased involvement of the European Union is a major factor for stabilization and progress in that region, whose European destiny is beyond question.

To those comments, I would like to add two questions for the High Representative. First, we have duly noted that the constitutional debate is an internal question, which falls solely within the competence of Bosnia and Herzegovina itself. We know that that approach is also shared by Lord Ashdown. It might be useful, however, to know his feelings about whether the international community should or should not encourage such a debate, which would of course have consequences for our actions. If it should, how should it?

Secondly, in the economic sphere, I would ask the High Representative how he is planning for the implementation of programmes that address, on the one hand, the strengthening of the rule of law and, on the other, the creation of jobs. Should those two programmes be implemented simultaneously or consecutively? How can the international community assist him in these activities?

I may be slightly indiscreet in asking such questions, but I am emboldened to do so by the High Representative's own stress on those topics in his introductory statement as two major issues that we must continue to ponder.

Mr. García de Vicdma (Spain) (*spoke in Spanish*): As other delegations have done, may I first convey the sadness and condolences of the Spanish delegation at the death of the President of the Palestinian Authority, Yasser Arafat, a symbol of the identity and aspirations of the Palestinian people. He showed the way towards the attainment of those national aspirations, which we hope can be achieved peacefully in the near future thanks to the efforts of all.

Spain also fully supports the statement to be made shortly by the representative of the Netherlands on behalf of the European Union.

I thank High Representative Lord Ashdown for the excellent report that he has just introduced to the Council and that summarizes the situation in Bosnia and Herzegovina and the implementation of the Peace Agreement. We also appreciate the statement made by the Foreign Minister of Bosnia and Herzegovina, Mr. Ivanić.

Lord Ashdown's statement paints a reasonably optimistic picture. Nine years after the Dayton Agreement, we have advanced considerably towards the implementation of its provisions. The enormous task entrusted to the High Representative — involving no less than helping to launch an entire country on a new start and to adopt effective domestic measures and reliable foreign policies — is yielding fruit.

In its two-fold capacity as a member of the North Atlantic Treaty Organization (NATO) and the European Union, Spain emphasizes the importance of the publication of two documents to which the High Representative refers in his report. First is the European Commission Feasibility Study of Bosnia and Herzegovina's readiness to begin negotiations on a stabilization and association agreement with the European Union, which identifies 16 general conditions for opening those negotiations; second is NATO's publication of reform benchmarks to be implemented by Bosnia and Herzegovina for entry in the Partnership for Peace. The issuance of those documents is in itself a sign that Bosnia and Herzegovina is moving towards integration into European and Euro-Atlantic structures. They have also had a direct impact on the country's situation, because they act as a strong stimulus to the reform process.

We note the enactment of highly important legislation for the establishment of the rule of law, such as the creation of the High Judicial and Prosecutorial Council and the State Investigation and Protection Agency. We should also stress the strengthening of economic rules, such as through the adoption of the Law on Public Enterprises, the Law on Investment of Public Funds and the Law on Public Procurement. Progress made in institution-building through the restructuring of the police and public administration, as well as the creation and organization of the Ministry of Defence and of intelligence services, is also encouraging.

The explicit recognition by the Republika Srpska authorities of the atrocities perpetrated in Srebrenica in 1995 is also significant, although further cooperation is required with the International Criminal Tribunal for the Former Yugoslavia.

Spain is following ongoing events in Bosnia and Herzegovina with great interest, especially at this important time on the eve of the transfer of the tasks of NATO's Stabilization Force to a European Union mission with a military component. We are convinced that the transfer, once endorsed by the Security Council, will be carried out with the utmost order and efficiency and that it will confirm the hopes and aspirations of all, starting with Bosnian citizens of all communities, who are the ones most directly interested in a European future for their country.

One symbolic achievement of recent months was the opening on 23 July of the reconstructed Old Bridge in Mostar. Although grave problems persist in that city, the opening was itself a milestone in the normalization of a city that was particularly hard hit by the conflict. As a member of the European Union and NATO, Spain is firmly committed to building bridges in order fully to implement the Peace Agreement and to achieve the steady integration of Bosnia and Herzegovina into Euro-Atlantic structures.

Mr. Motoc (Romania): Before I begin my statement proper, I, too, would like to express our sadness at the passing away of President Yasser Arafat, a symbol of the fight for independence of the Palestinian people. It is our hope that the memory of President Arafat will constitute an encouragement for the Palestinian people to maintain its national unity and an inspiration to Palestinian leaders to advance towards a peaceful and lasting settlement of the conflict in the Middle East. In these very difficult moments, we would like to offer our sincere condolences and

wholehearted support to the family of President Yasser Arafat and the Palestinian people.

Romania associates itself with the statement that will be made shortly on behalf of the European Union by Ambassador Van den Berg of the Netherlands.

I would like to welcome with delight to the Council the Foreign Minister of Bosnia and Herzegovina, Mr. Mladen Ivanić, and, later in the day, the Secretary General of the North Atlantic Treaty Organization (NATO), Mr. Jaap de Hoop Scheffer. I would also like to thank Lord Paddy Ashdown for his report to the Council as well as for today's update.

The significant progress achieved in Bosnia and Herzegovina is highly commendable. We should give credit for that achievement to the High Representative, his Office, all international organizations supporting the country — notably NATO, the Organization for Security and Cooperation in Europe and the European Union — and, last but not least, the authorities of Bosnia and Herzegovina.

The full implementation of the Peace Agreement in its letter and spirit and fostering genuine inter-entity cooperation in Bosnia and Herzegovina still require sustained efforts, but Bosnia and Herzegovina is laying the proper foundation, every day more consolidated, closer to European and Euro-Atlantic institutions and further away from the tragic era of war.

The High Representative was right to base his strategy on reforms on core issues such as the rule of law, the economy, capacity-building and defence. They are anchors of stability in a modern State and, not by coincidence, important requirements on the road towards the European Union (EU) and the North Atlantic Treaty Organization (NATO).

We support the efforts of the authorities in Sarajevo to implement the European Commission's Feasibility Study as a necessary step in launching negotiations for signing an association and stabilization agreement with the EU. We in South-East Europe are heartened by every sign of success on this path, which Romania hopes can be replicated and multiplied throughout the area. Lasting stability is a long-held goal in the western Balkans, and we have confidence that it can be achieved with patience and willingness, step by step, against the background of the European and Euro-Atlantic integration processes.

We commend, in this context, the active role played by Bosnia and Herzegovina in regional cooperation. We would like, in particular, to congratulate Bosnia and Herzegovina on its very successful chairmanship of the South-East European Cooperation Process, which Romania took over in 2004. We also welcome the recent informal meeting in Ohrid of the Ministers for Foreign Affairs of Albania, Bosnia and Herzegovina, Croatia, Serbia and Montenegro and the former Yugoslav Republic of Macedonia, and France as a supporting country. That meeting reiterated those countries' commitment to further intensify their cooperation and reinforce joint efforts to transform the region into an area of new possibilities and economic prosperity.

Romania joins the High Representative in encouraging the authorities of Bosnia and Herzegovina to maintain the pace of reforms and assure their adequate implementation. The work of the Srebrenica Commission and the recent formal apology constitute initial steps towards achieving satisfactory cooperation with the International Criminal Tribunal for the Former Yugoslavia (ICTY). We are still concerned about the fact that the country is held back by the persistent failure of the relevant authorities to cooperate fully with the ICTY. When that task is fulfilled, it will certainly be a cornerstone of Bosnia and Herzegovina's secure future and of the implementation of the Peace Agreement.

We will later congratulate the Secretary General of the North Atlantic Treaty Organization on a successful mission by the Stabilization Force in Bosnia and Herzegovina.

Romania continues to support a strong international commitment towards the consolidation of Bosnia and Herzegovina. The European Union is already a driving force in this process, and Romania is ready to support the authorization by this Council of the future EU mission, which we are confident will be as successful as its predecessor. Romania will continue to contribute substantially to the EU-led missions in Bosnia and Herzegovina by increasing its present troops and police contribution.

Mr. Benmehidi (Algeria) (*spoke in French*): First of all, I would like to say that it was with great sadness and emotion that we learned of the death of President Yasser Arafat in Paris early this morning. Algeria's condolences have been addressed to the Palestinian

people and their leadership by our President, and I wish to reiterate them here. The passing of President Arafat, who for 40 years embodied the aspirations of the Palestinian people to an independent State, is an enormous loss for that valiant people. We are convinced, however, that they will come out of this trial further strengthened. Algeria mourns along with the Palestinian people and assures it of its fraternal solidarity.

I would like to welcome the Minister for Foreign Affairs of Bosnia and Herzegovina, Mr. Mladen Ivanić. I also want to thank Lord Paddy Ashdown, the High Representative, for his report (S/2004/807, enclosure) and for his commendable efforts in Bosnia and Herzegovina to build a future of peace and prosperity in that country, which has, in the recent past, experienced the tragedy and suffering of war.

The twenty-sixth report of the High Representative enables us to assess the progress achieved in the implementation of the Peace Agreement and in the strengthening of administrative and institutional capacities, the promotion of the rule of law and economic reform. It is undeniable that Bosnia and Herzegovina, resolutely turned towards the future, has succeeded in binding its wounds and in patiently and painstakingly undertaking task of stabilization and reconstruction.

Recent measures in the field of reform of the defence forces and the information and security services, and the establishment of the State Investigation and Protection Agency, represent significant progress in the strengthening of State institutions. This important achievement can bring Bosnia and Herzegovina closer to its objective of building a sovereign, strong and stable State. It also opens the prospect of integration into Euro-Atlantic structures. The initiative of creating a single police structure for Bosnia and Herzegovina is an additional effort towards the attainment of that objective.

We also appreciate the progress made in the field of consolidating the rule of law. In that context, the establishment of a legal framework, the creation of new competent bodies and the improvement of the functioning and effectiveness of the judicial system are positive results that help consolidate the rule of law and the struggle against the threats of organized crime and terrorism. Nonetheless, the Bosnia and Herzegovina authorities need adequate means to strengthen their capacity to effectively combat those scourges.

Considerable work has also been accomplished in the area of economic reform. Major efforts have been made to develop an adequate legal, budgetary and structural framework and to promote the relaunching of the Bosnian economy.

However, I would like, at this point, to refer to the three areas of shortcomings to which Lord Paddy Ashdown referred. In spite of the encouraging results achieved, a great deal of progress remains to be made. Bosnia and Herzegovina must overcome difficulties related to the implementation of reforms, the problem of the entities' internal indebtedness and the lack of investment and of jobs. These difficulties are major obstacles to the launching of negotiations with the European Union on the conclusion of a stabilization and association agreement. They must therefore be eliminated if progress is to be made towards reform. The efforts of Bosnia and Herzegovina alone will not suffice to achieve this goal.

The lack of cooperation with the International Criminal Tribunal for the Former Yugoslavia (ICTY) with respect to the arrest of persons charged with war crimes is another obstacle to Bosnia and Herzegovina's participation in the NATO Partnership for Peace programme. Cooperation with the ICTY needs to be intensified. Bringing the perpetrators of war crimes before the Tribunal, reunifying the city of Mostar and strengthening its statute and recognizing the sources, the nature and the extent of the atrocities committed in Srebrenica are, in our view, all part of reconciliation and understanding among all the people of Bosnia and Herzegovina and the establishment of a tolerant and multiethnic society, an objective that my country fully supports.

In that spirit, my delegation welcomes the progress made in the process of the return of refugees and of displaced persons. We are pleased to see the authorities of Bosnia and Herzegovina successfully assuming their responsibilities under the Peace Agreement. We hope that the few remaining difficulties in this field will soon be overcome.

I do not want to conclude my statement without paying tribute to the NATO Stabilization Force (SFOR), whose mission comes to an end by the end of this year, for the important and constructive role that it has played in Bosnia and Herzegovina. We are pleased

with the European Council's decision to establish in that country a European Union peacekeeping force, including a military component, as of next year.

Mr. Lucas (Angola): Like previous speakers, the Angolan delegation regrets with great sadness the death of President Yasser Arafat, historic leader of the Palestinian people. We express our condolences and solidarity to the Palestinian people in this hour of pain and grief, in the expectation that they will overcome this difficult moment and that, with renewed strength and resolve, they will continue to strive for the attainment of the ultimate goal for which President Arafat fought so relentlessly: the establishment of a democratic, viable and peaceful Palestinian State, living side by side with Israel.

I would like to express gratitude and appreciation to the High Representative, Lord Ashdown, for his comprehensive report (S/2004/807, enclosure) on developments in Bosnia and Herzegovina. We are particularly honoured by the presence of His Excellency Mr. Mladen Ivanić, Deputy Chairman of the Council of Ministers and Minister for Foreign Affairs of Bosnia and Herzegovina, and we are grateful for his enlightening briefing. We also take this opportunity to say a word in recognition of the efforts undertaken by the High Representative and his Office aimed at the implementation of the Peace Agreement and of the efforts by the European Union and NATO to ensure the emergence of a peaceful, viable and modern State in Bosnia and Herzegovina. Above all, we express our full appreciation to the people of Bosnia and Herzegovina, who are, in the last analysis, the protagonists in the great transformations taking place in the country.

After many years in which the situation in Bosnia and Herzegovina has been on the agenda of the Security Council and at the centre of the international community's concerns, we are very pleased to take stock of the main trends described in the report we are considering today. The notable progress made by the Bosnia and Herzegovina authorities in fulfilling the legislative requirements set out in the European Commission's Feasibility Study, the significant steps towards firmly establishing the rule of law in Bosnia and Herzegovina, the significant progress made on the agenda of economic reform, the ongoing reform of the public administration, the commencement of the restructuring of Bosnia and Herzegovina's police forces under a single structure, the forging ahead with the adoption of the first defence reform, the establishment of the Intelligence and Security Agency — all of that constitutes an impressive record.

We understand the impatience expressed by the High Representative at the fact that the reform process is taking longer than anticipated. However, in our view, what is most important is that the reforms and the transformation of society in Bosnia and Herzegovina proceed with determination, but also cautiously and in a sustained fashion. And, as always, much remains to be done.

We have also taken note of the progress achieved in creating domestic capacities for indicting, investigating and prosecuting those accused of war crimes. The War Crimes Chamber of the State Court of Bosnia and Herzegovina is an important instrument for achieving the objectives set by the International Criminal Tribunal for the Former Yugoslavia (ICTY). In that regard, my delegation recalls the clear message set out in Security Council resolution 1503 (2003) expressing the need for the countries of the region to improve and intensify their cooperation with the ICTY.

We share the concern expressed by Lord Ashdown at the failure of Republika Srpska to cooperate with the Tribunal. From that perspective, we believe that the Council should send a firm and unambiguous message to the leaders of Republika Srpska regarding their obligation to extend full cooperation to the Tribunal and to hand over all those indicted for war crimes.

A new dynamic has emerged within Bosnia and Herzegovina's political bodies to embrace ownership of the reform process. We welcome the signing by all political parties represented in Parliament of a common platform pledging to take the measures necessary for further Euro-Atlantic integration — a positive development towards the complete integration of Bosnia and Herzegovina into the international community and towards the consolidation of a democratic State. We fully support that development, taking into account that the sustainability of democracy in Bosnia and Herzegovina is inextricably linked to reconciliation and cooperation with its neighbouring countries.

A key challenge with enormous symbolic significance is the establishment of a unique statute for the city of Mostar, as that city demonstrates that it is

possible for the various peoples of Bosnia and Herzegovina to live together in harmony and peace.

Finally, we commend the international community for its commitment, which has been a decisive factor in the remarkable progress described in the report before us. We strongly encourage the High Representative to maintain the consistent policies outlined in the report and to continue to work to achieve the goals set out in the Peace Agreement on Bosnia and Herzegovina and in the Dayton Agreement with regard to implementing the Federation of Bosnia and Herzegovina.

The President: I shall now make a statement in my capacity as Permanent Representative of the United States.

I thank High Representative Ashdown and Foreign Minister Ivanić for their briefings to the Council. The situation that the High Representative described is remarkable in many ways. Nine years after a war that killed and wounded hundreds of thousands and displaced nearly 2 million, almost all properties have been returned to those who were displaced. More than 1 million refugees and displaced persons have returned to all parts of the country, even to the sites of the worst war crimes. Armies that fought each other now serve under unified command and control. Intelligence services that plotted against each other are being unified. That progress is a tribute to the work of the High Representative and to the people of Bosnia and Herzegovina, who have shown determination to overcome their past.

All of those achievements, however, are in jeopardy. They are placed at risk by the failure to bring to justice those accused of genocide, of operating rape camps and of holding United Nations officials hostage. The transformation of Bosnia and Herzegovina into a stable and prosperous country cannot be complete until indicted war criminals — especially Radovan Karadzic and Ratko Mladic — face justice.

Recent reforms have brought Bosnia and Herzegovina to the cusp of membership in NATO's Partnership for Peace, yet NATO has rightly said it will not accept a State in which one part aids and abets international fugitives from being brought to justice. The failure to arrest war criminals rests squarely on the shoulders of Republika Srpska, which has not made a single war-crimes arrest in the nine years since the end of the war. Republika Srpska remains in violation of the Dayton/Paris Peace Accords and of various resolutions adopted by this body.

In the Dayton/Paris Peace Accords, the parties made a solemn commitment to turn over indictees to the International Criminal Tribunal for the former Yugoslavia (ICTY). That commitment must be fulfilled if the achievements of Dayton — which included the creation of the Republika Srpska itself — are to be secured.

The people have borne the heaviest consequences of the failure to apprehend indicted war criminals: greater poverty, insecurity and international isolation. But the ones who should bear the consequences are the political leaders who have failed to fulfil their promises and the individuals who have helped the fugitives to evade justice. We therefore commend the High Representative for his ongoing actions to identify and penalize individuals and organizations supporting indicted war criminals. The consequences of the failure to arrest indicted war criminals can only grow. It is long past time to bring them to justice.

On a final note, I would like to congratulate NATO on the successful conclusion of its current mission in Bosnia and Herzegovina and to welcome the incoming European Union-led force. While the European Union assumes the lead peacekeeping role, the continuing presence of a NATO headquarters underscores NATO's continuing political commitment. The United States remains committed to helping the people of Bosnia and Herzegovina move forward, and we will remain deeply engaged.

I now resume my functions as President of the Security Council.

The next speaker on my list is the representative of the Netherlands. I invite him to take a seat at the Council table and to make his statement.

Mr. Van den Berg (Netherlands): I have the honour to speak on behalf of the European Union. The candidate countries Bulgaria, Romania, Turkey and Croatia and the European Free Trade Association country Iceland, member of the European Economic Area, align themselves with this statement.

At the outset of this statement, we want to express our sincere condolences to the Palestinian people on the loss of President Arafat. He played a pivotal role in striving for an independent Palestinian State at peace with Israel.

We thank Lord Ashdown and Foreign Minister Ivanić for their briefings to the Council on developments in Bosnia and Herzegovina. We commend the contribution of the High Representative to peace and stability in the country. The European Union continues to support his policy of strengthening State institutions, reviving the economy and promoting the rule of law. Lord Ashdown's report (S/2004/807,n enclosure) shows that Bosnia and Herzegovina is on the right track, even though the European Union remains concerned about the continuing failure of Republika Srpska to cooperate fully with the International Criminal Tribunal for the Former Yugoslavia.

The Security Council will later be briefed by the Secretary General of the North Atlantic Treaty Organization (NATO), Mr. Jaap de Hoop Scheffer. He will look back at the role of NATO in Bosnia and Herzegovina since the Dayton Peace Agreements of 1995. As the Council is aware, NATO decided in June in Istanbul to terminate the Stabilization Force (SFOR) on 2 December 2004. On that date, the European Union will assume the main role in peace stabilization under the Dayton Agreements. NATO will remain in Bosnia and Herzegovina, through its headquarters in Sarajevo, providing advice on defence reform and undertaking certain operational supporting tasks.

The European Union commends NATO for its constructive role during the past years. The NATO-led operations, the Implementation Force (IFOR) and SFOR, have been key factors in establishing stability in Bosnia and Herzegovina and in implementing the Dayton Agreements.

In resolution 1551 (2004), the Security Council welcomed the transition from NATO to the European Union. In anticipation of final authorization by the Council, let me take this opportunity to underline the significance of the upcoming transition. It is significant, first and foremost, for Bosnia and Herzegovina but also for the European Union itself and for the United Nations.

Operation Althea, as the European Union military mission will be called, is the final element in the European Union's comprehensive policy towards Bosnia and Herzegovina. It is also part of a broader European Union strategy for the Balkans. The combined European Union activities in the political, economic and development fields, and now the security field, should mutually reinforce one another. The ultimate objective is to put Bosnia and Herzegovina on a track towards the European Union. That will be achieved through the strengthened stabilization and association process. The European Union military mission will complement that process, as will other European Union activities such as the European Union Police Mission, the European Union Monitoring Mission, and the Community Assistance to Reconstruction, Development and Stabilization (CARDS) development programme.

That comprehensive approach reflects the European belief that the future of Bosnia and Herzegovina lies firmly in Europe. It exemplifies the long-term commitment of the European Union. Given that commitment, it is now up to the Bosnian population to make the vision come true. They will have to make the eventual choice of joining the European political and economic union. Such a choice requires fundamental reforms of State, economic and judicial structures. Equally, they will have to confirm the decision to join the European community of values. Such a decision requires an environment of tolerance, dialogue and respect for religious freedoms. And it requires a tough stand, in words and in deeds, against impunity for war criminals.

The right political will and the popular support of the Bosnians, combined with the comprehensive role of the European Union, could, and should, lead Bosnia and Herzegovina away from conflict into a stable and peaceful future. We wish the Special Representative of the European Union, Lord Ashdown, all the best of luck as he increasingly replaces his High Representative hat with his European hat.

Let me say a word about the significance for the European Union and United Nations. Operation Althea will be the first major military mission of the European Security and Defence Policy. It is our belief that, as such, the operation is of significance not only for the European Union but also for the United Nations. Regional organizations have an increasingly important role to play in peacekeeping and peace-building.

That is not just a matter of resources, given the recent surge in peacekeeping operations. It is an acknowledgement of the principle of subsidiarity. Which organization has the most added value in a given situation? Regional organizations embody regional values. As such, they have a deep

understanding of the local situation. At the same time, they are often better recognized by the affected population. In addition, regional organizations can frequently offer a comprehensive approach entailing not only security and political arrangements but trade and aid aspects as well. That combination of policy instruments increases the chance of alleviating immediate plights in a post-conflict situation, while at the same time working on the root problems of a conflict.

It is our belief that we are in just the initial phase of increased cooperation between the United Nations and regional organizations. Under the leadership of the United Nations, as the body holding primary responsibility for peace and security, we look forward to the development of creative and constructive partnerships between the United Nations and regional organizations. The European Union sincerely hopes that Operation Althea will prove to be an outstanding precedent for such cooperation. Likewise, we of course hope that Operation Althea will prove to be to the benefit of the people of Bosnia and Herzegovina in their quest for durable peace.

The President: The next speaker is the representative of Japan, whom I invite to take a seat at the Council table and to make his statement.

Mr. Kitaoka (Japan): First, with respect to the passing away of Mr. Yasser Arafat, the President of the Palestinian Authority and the Chairman of the Executive Committee of the Palestine Liberation Organization, I would like to express my sincerest condolences to the bereaved family, to the Palestinian Authority and to the Palestinians. Mr. Arafat was indeed a pioneer who laid the foundation for the establishment of a Palestinian State. I pray that his soul will rest in peace and sincerely hope that Palestinians will overcome their sorrow and will continue their struggle to achieve peace and prosperity in the region.

I would like to thank you, Mr. President, for having convened this public meeting concerning the situation in Bosnia and Herzegovina. I also wish to offer my thanks to the High Representative for Bosnia and Herzegovina, Lord Paddy Ashdown, for his comprehensive briefing.

Almost nine years have passed since the signing of the Dayton Accord, during which time the tasks set out in the context of the peace process have been steadily carried out in Bosnia and Herzegovina. Among the achievements, my Government particularly appreciates the unification of the city of Mostar under a single city government and the establishment of the Ministry of Defence and the Intelligence and Security Agency at the State level. We are particularly appreciative of the efforts made by the High Representative for Bosnia and Herzegovina and his staff.

Nevertheless, there is still much to be done in Bosnia and Herzegovina. It is necessary to resolve the remaining problems so that Bosnia and Herzegovina can stand on its own feet as a stable, multi-ethnic nation, integrated into Europe. To that end, we expect the political leaders of Bosnia and Herzegovina to take the initiative to make further progress on those urgent tasks, which include the consolidation of the rule of law, the further reform of the economy and the strengthening of State institutions, with the cooperation of the international community.

The Government of Japan is of the view that a resolution of the war crimes issue is essential for the true achievement of peace in the former Yugoslavia. We therefore call upon the relevant authorities in Bosnia and Herzegovina to fully support the activities of the International Criminal Tribunal for the Former Yugoslavia and to extradite every indicted individual to the Tribunal. At the same time, we wish to underscore the importance of enhancing the capacity of the War Crimes Chamber so as to enable it to prosecute less serious war crimes. In this connection, Japan is now considering a proposal to provide support for a United Nations Development Programme project to train staff for the Chamber.

Japan values highly the role of the Stabilization Force in the implementation of the peace process through the maintenance of security in Bosnia and Herzegovina. In December this year, it is planned that the European Union-led peacekeeping force, EUFOR, will replace the NATO mission. The Government of Japan welcomes this handover and expects it to be implemented smoothly.

Japan has been an active member of the Steering Board of the Peace Implementation Council. We have pledged $500 million in support of rehabilitation and reconstruction in Bosnia and Herzegovina, and have been steadily implementing that assistance. This April in Tokyo, Japan co-chaired, with the European Union presidency, the Ministerial Conference on Peace

Consolidation and the Economic Development of the Western Balkans. At the Conference we expressed our view that, in order to ensure that the stabilization and development of the region is irreversible, regional efforts should be made focusing on the following three key elements: the consolidation of peace; economic development; and regional cooperation. We are providing support in each of those areas. Assistance for the War Crimes Chamber, fostering a better investment climate through the dispatching of advisers and the holding of a workshop on the promotion of tourism are examples of that.

Japan, in cooperation with the international community, intends to adhere to its commitment to help the region to achieve stability and prosperity through various activities, including follow-up of the Tokyo Ministerial Conference. It is our firm belief that the stabilization of the situation in Bosnia and Herzegovina is essential for the stability of the whole of South-Eastern Europe.

The President: In view of the lateness of the hour, and with the concurrence of the members of the Council, I intend to suspend the meeting now. We will resume this afternoon at 3 p.m. to hear Mr. Jaap de Hoop Scheffer, Secretary General of the North Atlantic Treaty Organization.

The meeting was suspended at 1.40 p.m.